

REPORT - PLANNING COMMISSION MEETING
October 10, 2002

Project Name and Number: Third Preliminary Plan Amendment for the Industrial Redevelopment Project (PLN2003-00070)

Applicant: City of Fremont Redevelopment Agency

Proposal: Consider resolution to adopt the Third Preliminary Plan Amendment for the Industrial Redevelopment Project and transmit Third Preliminary Plan Amendment to the Redevelopment Agency

Recommended Action: Approve and adopt the Third Preliminary Plan Amendment for the Industrial Redevelopment Project

Location: Industrial Redevelopment Project Area

Agent of Applicant: City of Fremont Redevelopment Agency

Environmental Review: Approval of the Third Preliminary Plan Amendment is only an initial non-binding step toward adoption of the Proposed Redevelopment Plan Amendment and therefore does not constitute approval of a project within the meaning of the California Environmental Quality Act. The Proposed Redevelopment Plan Amendment and the required CEQA documentation will be presented to the Planning Commission, City Council and Redevelopment Agency for consideration in 2003.

Public Hearing Notice: Public hearing notification is not applicable.

Executive Summary: On July 23, 2002, the City Council and Redevelopment Agency approved a resolution authorizing Agency staff to proceed with the process to increase the tax increment revenue cap for the Industrial Redevelopment Project Area (the "Industrial Project Area") through a Plan Amendment. The purpose of this Plan Amendment is to provide the Agency with additional financial resources necessary to contribute to the completion of an Irvington BART station and other redevelopment program activities identified in the amended and restated redevelopment plans (the "1998 Amended Plans") for the City's four redevelopment project areas (Irvington, Niles, Centerville, and Industrial area).

The primary source of funding for the redevelopment programs identified in the 1998 Amended Plans is the tax increment generated from the Industrial Project Area (which may be expended in the City's other three project areas as a result of the 1998 financial merger of the four project areas). It is now estimated that the current \$400 million cap on the receipt of Industrial Project Area tax increment will not be sufficient to provide the needed funding for the redevelopment program activities identified in the 1998 Amended Plans. Staff estimates the current cap will be reached in Fiscal Year 2011-12. The Plan Amendment to increase the tax increment revenue cap can create a source of funding for the Irvington BART station and, due to increased costs of the interchange, grade separation and other redevelopment projects and programs funded by the Agency, provide funds for projects in the historic project areas. A significant increase in funding for affordable housing would also result. Staff has developed a preliminary estimate to increase the tax increment cap to \$1.1 billion, a \$700 million increase above the current \$400 million cap. The estimated cap increase will be refined over the next several months and a precise proposed cap increase will then be presented to the City Council and Redevelopment Agency for further consideration.

Adoption of the Third Preliminary Plan Amendment by the Planning Commission is an initial step required by the California Community Redevelopment Law to initiate the Plan Amendment process. A copy of the Third Amendment to the Preliminary Plan for the Fremont Industrial Redevelopment Project is enclosed for Planning Commission review and consideration.

Background and Previous Actions: By Resolution No. 2153, dated May 12, 1983, the Planning Commission of the City of Fremont (the "Planning Commission") adopted the Preliminary Plan for the Fremont Industrial Redevelopment Project; by Resolution dated November 7, 1991, the Planning Commission adopted the First Amendment to the Preliminary Plan; and by Resolution No. 2203, dated July 10, 1997, the Planning Commission adopted the Second Amendment to the Preliminary Plan (as amended, the "Preliminary Plan"). By Resolution No. 9824, dated July 23, 2002, the City Council of the City of Fremont authorized processing of a proposed amendment to the fiscal provisions of the redevelopment plan for the Fremont Industrial Redevelopment Project, making certain determinations regarding preparation of environmental documents and conducting community consultations in connection with the proposed amendment.

Project Description: The approval of the Third Preliminary Plan Amendment is the first step toward adoption of the Proposed Redevelopment Plan Amendment. Under the Health and Safety Code sections 33322 and 33324 of the California Community Redevelopment Law, the Third Preliminary Plan Amendment provides a general statement of the Redevelopment Agency's intent to increase the tax increment revenue it receives from the Industrial Redevelopment Project Area. Since it is a non-binding first step in approval of the Proposed Plan Amendment, approval and adoption of the Third Preliminary Plan Amendment by the Planning Commission does not constitute approval of a project within the meaning of the California Environmental Quality Act. Further consideration of the Proposed Plan Amendment and the required environmental review by the Planning Commission, Redevelopment Agency and City Council will occur in 2003.

The Plan Amendment process is expected to take approximately eighteen (18) months and can be divided into three phases: (1) Feasibility Analysis; (2) Documentation Review; and (3) Final Approval of the Plan Amendment. Upon receiving authorization from the City Council, Agency staff has initiated the first phase which includes refinement of the tax increment revenue cap, updating the long-term program expenditure plan, and consultations with the taxing agencies to identify mutually agreed upon fiscal mitigations. (Other taxing agencies such as the County of Alameda, which share the property tax revenue from the Industrial area, would have to execute amendments to the existing pass through agreements with the Redevelopment Agency. A complete list of affected taxing agencies can be obtained through the Office of Neighborhoods.) The Agency has retained an environmental consultant, Wagstaff and Associates, and has begun the environmental review of the project. Wagstaff and Associates produced the EIR for the 1998 Redevelopment Plan Amendments and Merger Program. The Draft CEQA document for the Proposed Redevelopment Plan Amendment is scheduled to be available for consideration by the Planning Commission, City Council and Agency Board in Spring or Summer 2003.

The second phase of the Plan Amendment process (May through October 2003) will focus on public distribution and review of the required documents, including the Plan Amendment, Preliminary and Final Reports on the Plan Amendment, and the required environmental document. Public information workshops will be scheduled throughout the process to keep the public engaged and informed of the environmental review and Plan Amendment process, as well as BART's design process for the station. The final phase includes the public hearing on the Plan Amendment, and certification and approval of the final documents including the Final Plan Amendment, Final Report on the Plan Amendment and the Final CEQA documentation.

The following is a proposed schedule of major actions for the 18-month period:

July 2002	Present Plan Amendment Proposal to City Council/Agency Board
July-Dec 2002	Staff consultations with taxing entities and with BART planning staff (on funding agreement for the Irvington BART station)
Oct. 2002	Planning Commission approves Amended Preliminary Plan for Industrial Project Area
April 2003	BART Board consideration of Final Warm Springs Extension SEIR and Project, including the Irvington station. BART Board considers funding agreement between Agency and BART.
May 2003	Agency Board consideration of funding agreement between Agency and BART (conditional upon successful completion of the Plan Amendment process).
May 2003	Agency Board reviews proposed Plan Amendment, Preliminary Report, and Draft CEQA document. Authorizes public distribution of documents.
June 2003	Planning Commission Hearing on Draft CEQA Document

Sept 2003	Final Plan Amendment, Final Report on Plan Amendment, Final CEQA Document, and any financial arrangements with taxing entities provided to City Council/Agency Board and made public.
Oct 2003	Community Workshop on Plan Amendment
Oct 2003	Planning Commission makes formal recommendation to City Council/Agency Board on Plan Amendment and CEQA Document
Oct 2003	City Council/Agency Board conduct public hearing on Plan Amendment and CEQA Document
Nov 2003	City Council/Agency Board consider required California Redevelopment Law and CEQA findings and consider approval any taxing entity financial arrangements. City Council considers introduction of ordinance adopting Plan Amendment

Project Analysis -

Redevelopment: The Plan Amendment can create a source of funding for the Irvington BART station and, due to increased costs of the interchange, grade separation and other redevelopment projects and programs funded by the Agency, provide funds for projects in the historic project areas, including affordable housing. The Redevelopment Agency is working with BART throughout BART's environmental and design process of the Irvington station, in connection with BART's Warm Springs Extension Project. Currently, the Irvington station is being considered as an "optional" station in the Warm Springs Supplemental Environmental Impact Report (the "WSX SEIR") and design plans. Agency staff is currently working with BART to develop a funding agreement for the Irvington station and continues to work with BART planning and engineering staff on station design issues. Completion of the Plan Amendment CEQA documentation will depend on the completion and certification of the WSX SEIR, which is currently scheduled for April 2003. The Plan Amendment CEQA documentation is likely to incorporate the relevant sections of the WSX SEIR. The Draft CEQA document will be available for public comment and consideration by the Planning Commission, City Council and Redevelopment Agency some time in late spring 2003.

Environmental Analysis: As stated above, the Third Preliminary Plan Amendment is an initial non-binding step towards the adoption of the Proposed Redevelopment Plan Amendment and is not subject to CEQA. The Proposed Plan Amendment and required CEQA documentation will be presented to the Planning Commission, City Council and Redevelopment Agency for consideration in 2003.

Enclosures: Exhibit "A" (Resolution)
Attachment 1 to Exhibit A (Third Amendment to the Preliminary Plan)

Exhibits: Exhibit "A" Resolution, "Adopting a Third Amendment to the Preliminary Plan for the Fremont Industrial Redevelopment Project"

Recommended Actions:

1. Adopt resolution approving the Third Preliminary Plan Amendment to the Fremont Industrial Project Area and transmit Preliminary Plan Amendment to the Redevelopment Agency.

RESOLUTION NO. ____

RESOLUTION OF THE PLANNING COMMISSION OF THE CITY OF
FREMONT ADOPTING A THIRD AMENDMENT TO THE PRELIMINARY
PLAN FOR THE FREMONT INDUSTRIAL REDEVELOPMENT PROJECT

WHEREAS, by Resolution No. 2153, dated May 12, 1983, the Planning Commission of the City of Fremont (the "Planning Commission") adopted the Preliminary Plan for the Fremont Industrial Redevelopment Project; by Resolution dated November 7, 1991, the Planning Commission adopted the First Amendment to the Preliminary Plan; and by Resolution No. 2203, dated July 10, 1997, the Planning Commission adopted the Second Amendment to the Preliminary Plan (as amended, the "Preliminary Plan"); and

WHEREAS, by Ordinance No. 1577, adopted November 22, 1983, the City Council of the City of Fremont (the "City Council") adopted the Redevelopment Plan for the Fremont Industrial Redevelopment Project (as subsequently amended, the "Redevelopment Plan"); and

WHEREAS, the Redevelopment Agency of the City of Fremont (the "Agency") is preparing a further amendment to the Redevelopment Plan that would increase the limit on the amount of tax increment that may be received by the Agency in connection with the Fremont Industrial Redevelopment Project Area (the "Project Area") from \$400 million to \$1.1 billion (subject to further refinement and adjustment by the Agency, as appropriate), as authorized by the California Community Redevelopment Law (the "CRL") (the "Proposed Redevelopment Plan Amendment"); and

WHEREAS, the purpose of the Proposed Redevelopment Plan Amendment is to provide sufficient financial resources for the Agency to complete the redevelopment of the Project Area and the redevelopment of the Irvington, Niles, and Centerville project areas (with which the Project Area has been merged for the purpose of the pooling of tax increment revenue); and

WHEREAS, the Planning Commission desires to amend the Preliminary Plan in the manner set forth in the attached Attachment 1 (the "Third Preliminary Plan Amendment") to acknowledge the possible amendment of the Redevelopment Plan as contemplated by the Proposed Redevelopment Plan Amendment, and to maintain conformance between the Preliminary Plan and the Redevelopment Plan, as proposed to be amended by the Proposed Redevelopment Plan Amendment; and

WHEREAS, the Planning Commission has considered the Third Preliminary Plan Amendment based upon the expressed understanding that approval of such Third Preliminary Plan Amendment is only an initial non-binding step toward adoption of the Proposed Redevelopment Plan Amendment and therefore does not constitute approval of a project within the meaning of the California Environmental Quality Act ("CEQA"), and with further expressed understanding that the Proposed Redevelopment Project Amendment can become effective and binding only upon satisfaction of further actions and further discretionary decisions of the City of Fremont in accordance with the CRL and CEQA, including, without limitation, the preparation,

distribution, review, and certification of the necessary CEQA documentation and adoption of an ordinance by the City Council, acting in its sole policy discretion, to approve the Proposed Redevelopment Plan Amendment.

NOW, THEREFORE, BE IT RESOLVED, that the Planning Commission of the City of Fremont hereby approves and adopts the Third Preliminary Plan Amendment and hereby amends the Preliminary Plan as set forth in the Third Preliminary Plan Amendment.

ADOPTED by the Planning Commission of the City of Fremont at a meeting thereof held on the 10th day of October, 2002 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

APPROVED:

Chairperson

ATTEST:

Secretary of Planning Commission

ATTACHMENT 1

THIRD AMENDMENT TO THE PRELIMINARY PLAN FOR THE FREMONT INDUSTRIAL REDEVELOPMENT PROJECT

The Preliminary Plan for the Fremont Industrial Redevelopment Project, adopted by the Planning Commission of the City of Fremont on May 12, 1983 by Resolution No. 2153, as previously amended by the Planning Commission on November 7, 1991, and as further amended by the Planning Commission on July 10, 1997 by Resolution No. 2203, is hereby further amended as follows:

A new Part VIII is hereby added to the Preliminary Plan to read as follows:

"VIII. ADDITIONAL TAX INCREMENT AUTHORITY

Consideration may be given to increasing the limit on the amount of tax increment that may be received by the Agency in connection with the Project Area from \$400 million to \$1.1 billion (subject to refinement and adjustment by the Agency, as appropriate), as authorized by the California Community Redevelopment Law, to provide sufficient financial resources for the Agency to complete the redevelopment of the Project Area and the redevelopment of the Irvington, Niles, and Centerville project areas (with which the Project Area has been merged for the purpose of the pooling of tax increment revenue)."